


City of Alexandria, Virginia

MEMORANDUM

DATE: JULY 17, 2017

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER 

SUBJECT: POTOMAC YARD METRORAIL PROJECT UPDATE

Given the lengthy time planning, financing and the design-build procurement takes for a mega project such as the Potomac Yard Metrorail Station, City of Alexandria and Washington Metropolitan Area Transit Authority (WMATA) staff wanted to provide stakeholders, and the overall Alexandria community an update on station progress.

On October 31, 2016, the Federal Transit Administration (FTA) and on November 1, 2016 the National Park Service (NPS) issued their Records of Decision (RODs) for the project. Following the issuance of the RODs, WMATA issued its Solicitation Notice and Request for Proposal (RFP) on November 28, 2016. Although funding for the station is derived from City, developer and regional sources, because the station will be constructed on an existing, operational WMATA rail line, and because WMATA will own and operate the station after it is completed, WMATA is handling the contracting procurement process for the station. The Station's approved project budget is \$268 million.

In response to the WMATA issued RFP, proposals were received in March, 2017. WMATA and the City are currently reviewing proposals and working with the respective design build vendors to evaluate the proposals including cost savings opportunities within the context of the procurement. Based on the current proposal reviews, and the extended review process required to perform a best value procurement, the forecasted timeframe for contract award would be in the Spring of 2018, with any potential consideration of any potential changes in station design would be later in 2018. This process would add time to the schedule, with the amount of time to be determined when additional information is received from the design build vendors and analyzed this Fall.

On the financing front, in April, 2017 the US Department of Transportation Build America Bureau office notified the City that it had been accepted into the Transportation Infrastructure Finance Investment Act (TIFIA) loan program. Significant TIFIA financing of this project has long been part of the City's overall financing plan for the Potomac Yard Metrorail Station. Acceptance into the TIFIA loan program is a major step in the process of eventually obtaining a federal TIFIA loan, which the City estimates could provide as much as some \$88 million in low cost, flexible borrowing for the Potomac Yard Metrorail Station project.

Finally, on June 13, 2017 the Alexandria City Council approved upon recommendation of its Planning Commission a revised North Potomac Yard Small Area Plan which includes and reaffirms some 7.5 million square feet of mixed use, transit-oriented development that the City approved in 2010. The new Potomac Yard Metrorail Station is key to the redevelopment of North Potomac Yard. Next Spring, it is projected that a Development Special Use Permit (DSUP) for the first phase of North Potomac Yard (i.e., the 25-acre movie theatre site) with some 1.3 million square feet of planned development will be ready for public hearing and approval consideration by the Planning Commission and City Council. JBG which is leading the development team for this site has indicated that they forecast construction to begin as early as 2019.

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Potomac Yard Metrorail Implementation Group (PYMIG)